

EXHIBIT "B"

Carousel Language Program, LLC
Chapter 11 Case No: 15-12851 -MG
Profit & Loss Projections
October 1, 2017 - December 31, 2022

	<u>October</u> <u>2017</u>	<u>November</u> <u>2017</u>	<u>December</u> <u>2017</u>	<u>Twelve Months</u> <u>Ending 12/31/18</u>	<u>Twelve Months</u> <u>Ending 12/31/19</u>	<u>Twelve Months</u> <u>Ending 12/31/20</u>	<u>Twelve Months</u> <u>Ending 12/31/21</u>	<u>Twelve Months</u> <u>Ending 12/31/22</u>	<u>Total</u>
<u>Projected Income</u>									
Sales - Net	\$60,490	\$ 60,490	\$ 52,000	\$ 854,000	\$ 879,620	\$ 906,009	\$ 933,189	\$ 961,185	\$ 4,706,982
<u>Projected Operating Expenses</u>									
Teaching Payroll	16,465	16,465	16,465	197,580	201,532	205,562	209,673	213,867	1,077,609
Officer Salaries	4,167	4,167	4,167	100,000	100,000	100,000	100,000	100,000	512,501
Administrative Salaries	9,917	9,917	9,917	120,000	122,400	124,848	127,345	129,892	654,235
Payroll Taxes	2,749	2,749	2,749	41,758	42,393	43,041	43,702	44,376	223,518
Payroll Service Fees	370	370	555	4,662	4,895	5,140	5,397	5,667	27,055
Teaching Materials	471	471	471	5,176	5,694	6,263	6,889	6,889	32,323
Rent - Base rent 1309 Madison	10,302	10,302	10,302	125,444	129,145	132,957	136,884	136,884	692,218
Insurance - Health	2,115	2,115	2,115	25,380	26,649	27,981	29,381	30,850	146,586
Insurance - Liability	307	307	307	3,218	3,379	3,548	3,725	3,911	18,701
Insurance - Workers Comp/Disb, Payroll Service	300	300	300	3,152	3,310	3,475	3,649	3,831	18,317
Professional Fees Accounting	1,250	1,250	1,250	13,125	13,781	14,470	15,194	15,954	76,274
Marketing & Advertising Expense	417	417	417	5,000	5,250	5,513	5,788	6,078	28,879
Postage & Delivery	35	35	35	420	441	463	486	511	2,426
Dues & Subscriptions	243	243	243	2,548	2,675	2,809	2,950	3,097	14,807
Computer Expenses	167	167	167	3,500	3,675	3,859	4,052	4,254	19,840
Utilities	327	327	327	3,434	3,606	3,786	3,975	4,174	19,956
Telephone & Internet	587	587	587	6,165	6,473	6,797	7,137	7,494	35,827
Bank Service Charges	6	6	6	59	62	65	68	72	343
Security Systems	58	58	58	605	635	667	700	735	3,516
Office Supplies	1,325	1,325	1,325	13,911	14,607	15,337	16,104	16,909	80,842
Bookkeeping & Consulting Expenses	2,833	2,833	2,833	33,996	35,696	37,481	39,355	41,322	196,349
Cleaning Services	309	309	309	3,239	3,401	3,571	3,750	3,937	18,823
Repairs & Maintenance	382	382	382	4,009	4,209	4,420	4,641	4,873	23,298
Meals	500	500	1,000	7,000	7,350	7,718	8,103	8,509	40,679
Local Travel	336	336	336	3,525	3,701	3,886	4,081	4,285	20,485
United States Trustee Fees	300	300	300	3,600	3,600	-	-	-	8,100
Total Projected Expenses	56,234	56,235	56,920	730,506	748,559	763,656	783,027	798,369	3,993,507
Total Projected Operating Profit (Loss)	4,256	4,255	(4,920)	123,495	131,061	142,352	150,161	162,816	713,475
<u>Other Expenses</u>									
Depreciation	784	784	784	9,408	9,408	9,408	9,408	9,408	49,392
Interest	605	605	605	7,260	7,260	7,260	7,260	7,009	37,864
Federal, State, & Local Income Taxes	-	-	-	26,707	28,598	31,421	33,373	36,600	156,699
Total Other Expenses	1,389	1,389	1,389	43,375	45,266	48,089	50,041	53,017	243,955
Net Income (Loss)	\$ 2,867	\$ 2,866	\$ (6,309)	\$ 80,120	\$ 85,795	\$ 94,263	\$ 100,120	\$ 109,799	\$ 469,520

Carousel Language Program, LLC
Chapter 11 Case No: 15-12851 -MG
Cash Flow Projections
October 1, 2017 - December 31, 2022

	<u>October</u> <u>2017</u>	<u>November</u> <u>2017</u>	<u>December</u> <u>2017</u>	<u>Twelve Months</u> <u>Ending 12/31/18</u>	<u>Twelve Months</u> <u>Ending 12/31/19</u>	<u>Twelve Months</u> <u>Ending 12/31/20</u>	<u>Twelve Months</u> <u>Ending 12/31/21</u>	<u>Twelve Months</u> <u>Ending 12/31/22</u>	<u>Total</u>
<u>Projected Cash Inflows</u>									
Net Cash Income from Operations (Projected operating profit less interest & taxes)	\$ 3,651	\$ 3,650	\$ (5,525)	\$ 89,528	\$ 95,203	\$ 103,671	\$ 109,528	\$ 119,207	\$ 518,912
Advance from Post Petition Lending Facility	75,000	-	-	-	-	-	-	-	75,000
Total Projected Cash Inflows	78,651	3,650	(5,525)	89,528	95,203	103,671	109,528	119,207	593,912
<u>Payments for Debt Service & Income Taxes</u>									
Repayment of JS Advance - (10yr note, 5%, first 5years interest only, last 5 years int. & principle)	-	-	-	-	-	-	-	17,332	17,332
Income Taxes, Federal, State, Local	-	-	-	26,707	28,598	31,421	33,373	36,600	156,699
Total Projected Debt Service & Income Taxes	-	-	-	26,707	28,598	31,421	33,373	53,932	174,031
<u>Payments for Plan Confirmation</u>									
<u>Secured Claims - None</u>									
<u>Administrative Claims</u>									
Chapter 11 Professional Fees (Subject to Application & Approval)	25,000	4,000	4,000	48,000	44,000	-	-	-	125,000
Landlord Attorney's Professional Fees - (Paid on effective date)	11,333	-	-	-	-	-	-	-	11,333
<u>Priority Claims</u>									
Priority Wage Claims - (5yrs Quarterly from effective date)	2,094	-	-	8,376	8,376	8,376	8,376	6,282	41,880
Stipulation with the Dept of Labor - (paid on effective date)	9,514	-	-	-	-	-	-	-	9,514
Payments to Priority Creditors - (5yrs Quarterly from effective date)	687	-	-	2,747	2,747	2,747	2,747	2,061	13,737
<u>Unsecured Claims</u>									
General Unsecured Creditors (\$290,614, 20%, 5yrs, paid quarterly)	2,906	-	-	11,624	11,624	11,624	11,624	8,721	58,123
Total Payments for Plan Confirmation	51,534	4,000	4,000	70,747	66,747	22,747	22,747	17,064	259,588
<u>Projected Change in Cash</u>	27,117	(350)	(9,525)	(7,926)	(143)	49,503	53,407	48,211	354,856
<u>Beginning Cash Balance</u>	30,000	57,117	56,766	47,241	39,315	39,172	88,674	142,082	30,000
Add (Subtract) Projected Change in Cash Balance	27,117	(350)	(9,525)	(7,926)	(143)	49,503	53,407	48,211	160,293
<u>Ending Cash Balance</u>	<u>\$ 57,117</u>	<u>\$ 56,766</u>	<u>\$ 47,241</u>	<u>\$ 39,315</u>	<u>\$ 39,172</u>	<u>\$ 88,674</u>	<u>\$ 142,082</u>	<u>\$ 190,293</u>	<u>\$ 190,293</u>

Carousel Language Program, LLC
MOR Historical Results
January 1, 2016 - June 31, 2017

	<u>1/31/2016</u>	<u>2/28/2016</u>	<u>3/31/2016</u>	<u>4/30/2016</u>	<u>5/31/2016</u>	<u>6/30/2016</u>	<u>7/31/2016</u>	<u>8/31/2016</u>	<u>9/30/2016</u>	<u>10/31/2016</u>	<u>11/30/2016</u>	<u>12/31/2016</u>	<u>Year Ended</u> <u>12/31/2016</u>
Revenue	\$ 37,898	\$ 54,517	\$ 112,831	\$ 64,270	\$ 88,787	\$ 62,387	\$ 26,173	\$ 74,108	\$ 69,483	\$ 28,489	\$ 48,611	\$ 51,994	\$ 719,548
CGS	292	1,002	-	360		285	238	867	1,457	155	1,057	2,143	7,856
Gross Profit	37,606	53,515	112,831	63,910	88,787	62,102	25,935	73,241	68,026	28,334	47,554	49,851	711,692
Operating Expenses	31,287	47,426	59,503	42,338	50,115	67,276	40,999	40,780	47,738	53,184	49,530	55,251	585,427
Depreciation	257	784	784	784	784	784	784	784	784	784	784	784	8,881
Net Profit Before Re-Organization Items	6,062	5,305	52,544	20,788	37,888	(5,958)	(15,848)	31,677	19,504	(25,634)	(2,760)	(6,184)	117,384
Reorganization Items	108	108	108	108	128	11,442	1,108	108	858	108	108	977	15,269
Net Profit (Loss)	\$ 5,954	\$ 5,197	\$ 52,436	\$ 20,680	\$ 37,760	\$ (17,400)	\$ (16,956)	\$ 31,569	\$ 18,646	\$ (25,742)	\$ (2,868)	\$ (7,161)	\$ 102,115
													-
	<u>1/31/2017</u>	<u>2/28/2017</u>	<u>3/31/2017</u>	<u>4/30/2017</u>	<u>5/31/2017</u>	<u>6/30/2017</u>							<u>Year Ended</u> <u>12/31/2017</u>
Revenue	\$ 57,743	\$ 41,690	\$ 92,806	\$ 59,350	\$ 89,077	\$ 86,716							\$ 427,382
CGS	-			352	1,071	56							1,479
Gross Profit	57,743	41,690	92,558	58,998	88,006	86,660							425,903
Operating Expenses	43,781	49,656	57,181	51,835	60,484	81,678							344,615
Depreciation	784	784	784	784	784	784							4,704
Net Profit Before Re-Organization Items	13,178	(8,750)	34,593	6,379	26,738	4,198							76,584
Reorganization Items	5,720	4,047	4,829	8,311	6,069	8,012							36,988
Net Profit (Loss)	\$ 7,458	\$ (12,797)	\$ 29,764	\$ (1,932)	\$ 20,669	\$ (3,814)							\$ 39,596